

## Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AID-20 CIAE-00 FRB-02 INR-10

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FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 6943

INFO USDOC WASHDC

LIMITED OFFICIAL USE BUENOS AIRES 4503

DEPARTMENT PASS TREASURY

E.O. 11652: N/A

TAGS: EFIN, AR

SUBJ: GOA RECEIVES \$100 MILLION DOLLAR EXTERNAL LOAN

REF: A) BA-2282; B) BA-2327

1. JUNE 12, GOA SIGNED 100 MILLION DOLLAR LOAN AGREEMENT WITH CONSORTIUM OF EXTERNAL COMMERCIAL BANKS MANAGED BY BANKERS TRUST COMPANY. BANKERS TRUST ITSELF TOOK \$25 MILLION OF LOAN, WHILE CO-MANAGERS EUROPEAN AMERICAN BANK AND TRUST COMPANY AND SOCIETE GENERALE DE BANQUE S.A. TOOK 9.5 MILLION AND 6.5 MILLION RESPECTIVELY. REMAINING \$59 MILLION SPLIT AMONG 20 FOREIGN BANK MEMBERS OF CONSORTIUM INCLUDING MANY AMERICAN BANKS.

2. PRINCIPAL TO BE REPAID OVER 8 YEARS IN ELEVEN SEMIANNUAL INSTALLMENTS BEGINNING 36 MONTHS AFTER LOAN DATE. FIRST PRINCIPAL PAYMENT WILL BE \$10 MILLION, REMAINING PAYMENTS WILL BE \$9 MILLION EACH.

3. INTEREST RATE WILL BE 1.5 PERCENT OVER SIX MONTH RATE FOR EURO DOLLAR DEPOSITS IN LONDON INTERBANK EURO DOLLAR MARKET.

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IN ADDITION, GOA WILL PAY MANAGEMENT FEE EQUAL TO 5/8 OF

1 PERCENT OF LOAN PRINCIPAL.

4. COMMENT: WITH 100 MILLION BA SYNDICATE LOAN SIGNED  
MARCH 29, TREASURY NOW HAS BORROWED \$200 MILLION OF TOTAL 240  
MILLION DOLLAR EXTERNAL CREDIT PROVIDED FOR IN INITIAL 1974  
BUDGET. DESPITE STRONG BALANCE OF PAYMENTS AND RESERVE POSI-  
TION, GOA CONTINUES TO BORROW ABROAD - AND CONSEQUENTLY TO PAY  
THE HIGH INTEREST RATES NECESSARY TO OBTAIN EXTERNAL FINANCING.  
GOA STRATEGY PROBABLY IS TO BORROW NOW WHILE EXTERNAL CONDITIONS  
FAVORABLE, RATHER THAN WAITING UNTIL POSSIBLE BALANCE OF PAY-  
MENTS DETERIORATION ADVERSELY AFFECTS ITS ABILITY TO OBTAIN  
NEW CAPITAL INFLOWS FROM COMMERCIAL BANKS.  
MONTLLOR

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TREATY SIGNATURE, BANK LOANS, COMMERCIAL BANKS, BALANCE OF PAYMENTS, BANK CONSORTIUMS, LOAN AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** WorrelSW  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BUENOS04503  
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**Document Unique ID:** 00  
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**Film Number:** D740159-0182  
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**Office:** ACTION EB  
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**Original Previous Handling Restrictions:** n/a  
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**Review Comment:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOA RECEIVES \$100 MILLION DOLLAR EXTERNAL LOAN  
**TAGS:** EFIN, AR, US, BANKERS TRUST COMPANY  
**To:** STATE  
**Type:** TE  
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